Military Market

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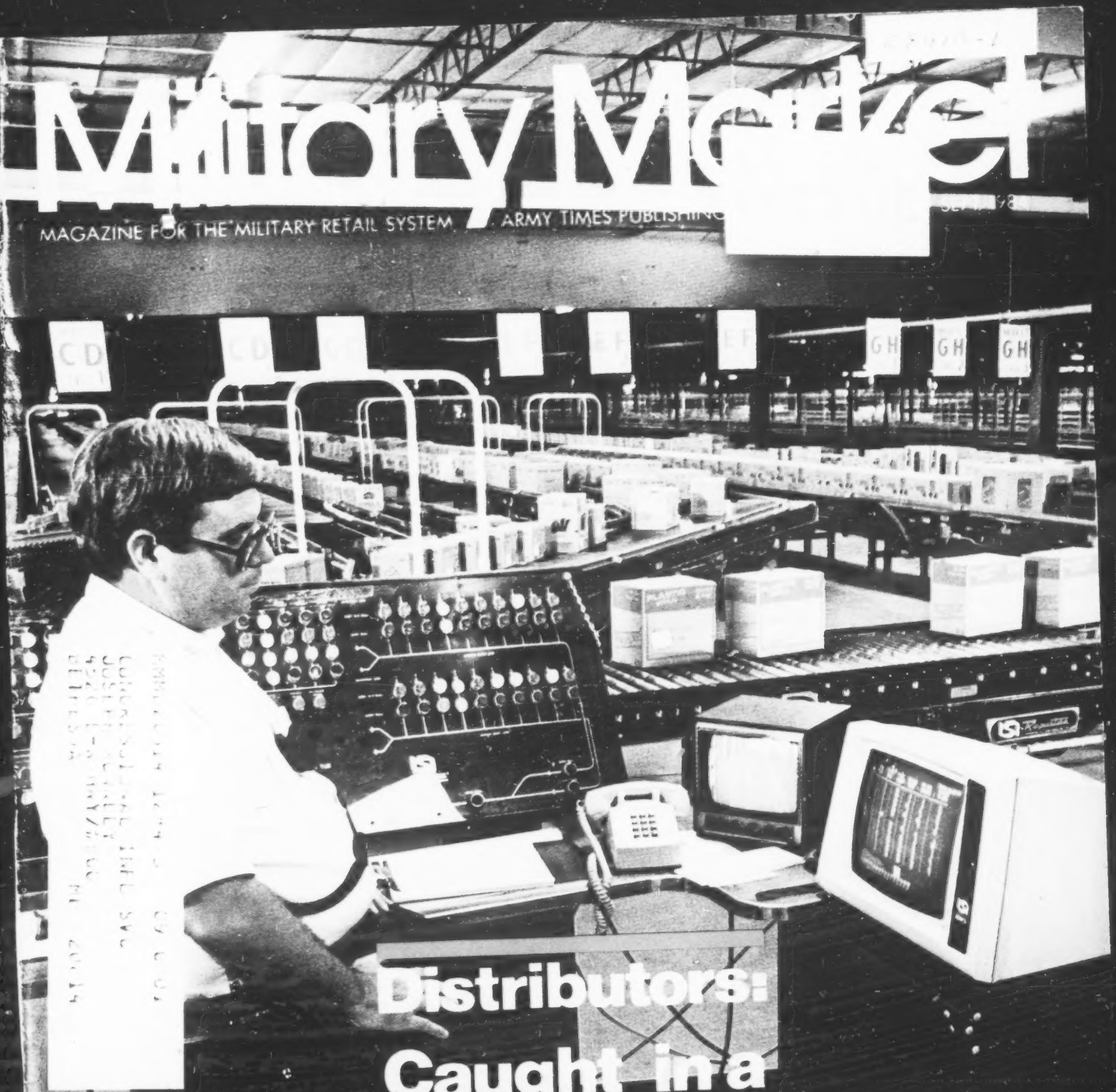

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Military Market survey

Commissary Distributors: How Can They Do a Better Job?

TO ROUND OUT our look at distributors this month, MILITARY MARKET decided to get commissary managers' viewpoints on what distributors could do to improve service.

The most frequently voiced complaints were that merchandise was not delivered at a specific time, that it was damaged and that orders were incomplete. It would be unfair, however, not to point out that 13 of the 20 commissary officers (six TSA, six NAVRESSO, six AFCOMS and two Marine) surveyed said they had personally not encountered *any* problems with distributors serving their stores.

But for those with a wrinkle in their operations, there were also suggestions on how distributors could iron them out. Says one commissary officer: "Why can't they make sure the proper merchandise is on the truck *before* they leave the distributor's" warehouse? Two wanted better communications between themselves and their distributors. One suggested, "They could tell us when they will be short so we can plan for it and reorder as soon as possible. Then we can put signs on the shelves so customers will know when to expect the product."

When asked what they would like to change about the military distribution business, the managers say that frequency and timeliness of deliveries need upgrading. "I want more frequent deliveries, with fewer minimums, which are sometimes more than I really want or need," says one store officer. Another complains about the difficulty of rescheduling missed runs.

A Navy commissary store officer doesn't appreciate drivers knocking on his warehouse door unexpectedly. "Unscheduled deliveries are *unwelcome*," he grumbles.

Another Navy commissary store officer had a novel suggestion for distributors: "If we could trade jobs for one day," then they would see how hard *our* jobs are.

Most of the store officers contacted think it is vital to personally check on the distributors when the trucks arrive at the loading dock. Thirteen say they have daily contact with their distributors, one sees them once a week and one says he "seldom" talks personally with them. Only five say they never personally visit the distributors on the loading dock.

New technology has revolutionized the civilian grocery industry, and according to some of the store officers, it has done likewise for their operations. But the commissary systems evidently have a lot of catching up to do. Six of those surveyed say that nothing has changed in the past few years in the way they deal with distributors. But for those who've experienced change, better inventory controls was the most often cited improvement.

One officer quipped, "The commissary business here has been the same for 20 years. This is Alabama!"

The computerized direct-store delivery tests have certainly changed the commissary-distributor relationship. The two respondents who are participating in tests were strongly in favor of its benefits, particularly in the areas of improved inventory controls and faster order turnaround.

Those not part of tests were almost all in favor of it coming to their stores. Only respondents were against it — one says he doesn't know what it is and the other thinks his store is too small to make it cost-effective.

In terms of VPR inventories, distributors must be doing something right. Only three store officers say they aren't getting sufficient quantities to meet customer demand.

And judging by the response to our question about bad communications with distributors, the problem seems to be more common in the distributor-broker link than in the distributor-commissary one. Only three store officers complain that the distributors should call them more often.

Overall, there was much praise for the job the distributors are doing. "I think they do a great job for us," says one store officer.

MM

1 — HOW OFTEN ARE YOU INVOLVED WITH DISTRIBUTORS ON A ONE-ON-ONE BASIS? DO YOU PERSONALLY VISIT THE LOADING DOCK, WAREHOUSE, ETC.? Daily — 13. Once a week — 1. Seldom — 1. Never — 5.

2 — WHAT PROBLEMS, IF ANY, HAVE YOU PERSONALLY ENCOUNTERED WITH DISTRIBUTORS IN THE SERVICING OF YOUR STORE? None — 13. Damaged merchandise — 2. Incomplete orders — 2. Getting merchandise at a specific time — 2. Late deliveries — 1. Wrong items delivered — 1. Merchandise not palletized — 1.*

3 — DO YOU HAVE ANY SPECIFIC SUGGESTIONS THAT MIGHT MAKE YOUR JOB (AND THEIRS) ANY EASIER? None — 11. Check for proper merchandise before leaving distributor s warehouse — 3. Better communications — 2. Fewer minimums — 1. Load all merchandise on pallets — 1. More attention to detail — 1. More frequent deliveries — 1.

4 — WHAT IS YOUR BIGGEST PROBLEM IN DEALING WITH DISTRIBUTORS? None — 9. Consistency of deliveries — 5. Getting sufficient quantities — 2. Damaged merchandise — 1. Poor communications — 1. Getting the wrong items — 1. Bad weather makes it difficult for trucks to reach the store — 1.

5 — ARE YOU GETTING ENOUGH VPR MERCHANDISE FROM DISTRIBUTORS TO HANDLE CUSTOMER DEMAND, OR ARE YOU GETTING SHORTED ON QUANTITIES OF GOOD DEALS? Yes — 17. No — 3.

6 — IF YOU COULD CHANGE ONE ASPECT OF THE MILITARY DISTRIBUTOR BUSINESS, WHAT WOULD THAT BE? See story.

7 — OVER THE LAST FEW YEARS, WHAT THINGS HAVE HAPPENED (computers, new warehousing techniques, other technology) TO CHANGE THE WAY YOU APPROACH THE DISTRIBUTORS' SIDE OF THE BUSINESS? Nothing has changed — 6. Better inventory controls — 4. Everything has changed — 3. Better warehousing techniques — 2. Faster order turnaround — 2. Direct store delivery — 1. Less paperwork — 1. More timely deliveries — 1.

8 — ARE YOU (AND YOUR STORE) INVOLVED IN DAILY DIRECT-STORE DELIVERY TESTS? Yes — 2. No — 18. **IF NOT, WOULD YOU LIKE TO SEE THIS COME TO YOUR STORE IN THE FUTURE? WHY OR WHY NOT?** Yes — 16. No — 2.

9 — DOES YOUR STORE RECEIVE ANY IN-STORE SERVICING (RACK-JOBBING) FROM DISTRIBUTORS? Yes — 0. No — 20.

10 — DO YOU HAVE ANY SUGGESTIONS FOR OVERCOMING THE COMMUNICATIONS BARRIERS THAT OFTEN CROP UP BETWEEN YOURSELF, BROKERS AND THE INDIVIDUAL DISTRIBUTORS? No — 17. They should call us more often — 3.

*Adds to more than 20 because of multiple responses.

Military Market index

Commissaries

		MAY			YEAR-TO-DATE		
		CY'84	CY'83	%	CY'84	CY'83	%
Air Force	CONUS	$158,113	$138,828	+13.89	$750,892	$719,355	+4.38
	OVERSEAS	31,960	28,429	+12.42	148,037	145,011	+2.09
	TOTAL	**190,073**	**167,257**	**+13.64**	**898,929**	**864,366**	**+4.00**
Army	CONUS	106,050	104,895	+1.10	525,210	515,747	+1.83
	OVERSEAS	36,330	29,610	+22.70	171,990	164,704	+4.42
	TOTAL	**142,380**	**134,505**	**+5.85**	**697,200**	**689,451**	**+2.46**
Navy	CONUS	57,177	52,417	+9.08	294,154	264,503	+11.21
	OVERSEAS	6,763	6,087	+11.11	34,292	30,442	+12.65
	TOTAL	**63,940**	**58,504**	**+9.29**	**328,446**	**294,945**	**+11.36**
Marines	CONUS	13,962	11,087	+25.93	65,003	55,996	+16.09
	OVERSEAS	237	200	+18.50	989	943	+4.88
	TOTAL	**14,199**	**11,287**	**+25.80**	**65,992**	**56,939**	**+15.90**
Coast Guard	CONUS	239	217	10.14	1,179	1,308	-9.86
	OVERSEAS	261	176	+48.30	1,356	895	+51.51
	TOTAL	**500**	**393**	**+27.23**	**2,535**	**2,203**	**+15.07**
All Commissaries	CONUS	335,541	307,444	+9.14	1,636,438	1,556,909	+5.11
	OVERSEAS	75,551	64,502	+17.13	356,664	341,995	+4.29
	TOTAL	**$411,092**	**$371,946**	**+10.52**	**$1,993,102**	**$1,898,904**	**+4.96**
Grocery Stores	U.S.[1]	**$21.855 bil.**	**$20.206 bil.**	**+8.16**	**$103.51 bil**	**$96.97 bil.**	**+6.75**

Exchanges

AAFES	CONUS	$248,114	$246,882	+0.50	$1,110,766	$1,086,894	+2.20
	OVERSEAS	165,141	160,064	+3.17	769,387	757,742	+1.54
	TOTAL	**413,255**	**406,946**	**+1.55**	**1,880,153**	**1,844,636**	**+1.93**
Navy	CONUS[2]	95,834	93,188	+2.84	417,691	407,869	+2.41
	OVERSEAS[2]	37,871	39,092	-3.12	174,513	174,880	-0.21
	TOTAL[2]	**133,705**	**132,280**	**+1.08**	**592,204**	**582,749**	**+1.62**
Marines	CONUS	30,069	28,773	+4.50	135,155	134,392	+0.57
	OVERSEAS	5,029	4,792	+4.95	23,532	24,309	-3.20
	TOTAL	**35,098**	**33,565**	**+4.57**	**158,687**	**158,701**	**-0.01**
Coast Guard	CONUS[3]	6,573	6,382	+2.99	29,799	28,910	+3.08
	OVERSEAS[3]	824	870	-5.29	3,716	3,942	-5.73
	TOTAL[3]	**7,397**	**7,252**	**+2.00**	**33,515**	**32,852**	**+2.02**
Mail Order	CONUS[4]	1,136	1,136	+0.00	6,861	6,228	+10.16
	OVERSEAS[4]	4,355	3,925	+10.96	19,959	19,555	+2.07
	TOTAL[4]	**5,491**	**5,061**	**+8.50**	**26,820**	**25,783**	**+4.02**
All Exchanges	CONUS	381,726	376,361	+1.43	1,700,272	1,664,293	+2.16
	OVERSEAS	213,220	208,743	+2.14	991,107	980,428	+1.09
	TOTAL	**$594,946**	**$585,104**	**+1.68**	**$2,691,379**	**2,644,721**	**+1.76**
Department Stores	U.S.[1]	**$10.547 bil.**	**$9.246 bil.**	**+14.07**	**$44.15 bil.**	**$39.217 bil.**	**+12.58**

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ships stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard.

Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges, and exchange sales include concession volume.